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United States Department of State

Washington, D.C. 20520 S/S 8433749

**Executive Registry** 

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B4-705 B

December 10, 1984

Senior Interagency Group No. 23

- Mr. Donald P. Gregg TO OVP - Mr. Robert Kimmitt NSC - Mr. William Staples ACDA

CIA

Commerce - Mrs. Helen Robbins Customs - Mr. Stephen Dougherty Defense - COL R. J. Affourtit - Mr. William Vitale Energy - Mr. Edward O'Malley FBI - LTC Thomas O'Connell JCS Justice - Mr. Ronald Blunt - Mr. Kenneth Pedersen NASA

NSA OMB

- Mr. Alton Keel

- Dr. George Keyworth OSTP Treasury - Mr. Christopher Hicks - Amb. Harvey Feldman UNA - Mr. Dennis Whitfield USTR

SIG/TT Executive Committee Meeting SUBJECT:

Attached is the Summary of Conclusions for the executive committee meeting of the SIG On the Transfer of Strategic Technology, held on November 21, 1984.

> ionakinleu Charles Hill Executive Secretary

Attachment:

Summary of Conclusions

UNCLASSIFIED (With SECRET Attachment)



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November 26, 1984

PARTICIPANTS:

See Attached List

DATE AND TIME: November 21, 1984 at 9:30 a.m.

PLACE: Room 1206A, Department of State

SUBJECT:

Technology Transfer MOU with India and the Hemlock

and CDC Cases

# SUMMARY OF CONCLUSIONS

Under Secretary Schneider convened the Executive Committee of the SIG to seek interagency approval of three ad referendum agreements with the Government of India--the technology transfer MOU, the Hemlock license for silicon manufacture and the CDC agreement on computer sales to the GOI.

Under Secretary Schneider pointed out that negotiation of these agreements had been a part of the USG effort to improve relations with Indians, as set out in NSDD 147. He also stressed the extreme sensitivity of these negotiations because of the GOI's concerns about its sovereignty. He noted that the GOI had said that it would repudiate the agreement if the MOU became public before it was signed.

PM DAS Robert Dean stated that all the USG's principal goals had been met in New Delhi. NEA DAS Raphel explained the bilateral political context of the MOU and said that the Indians were now prepared to improve relations with the US.

The focus of the ensuing interagency discussion was on the sufficiency of the GOI's quarantees -- contained within the MOU and in related side letters--concerning the USG's right to inspect Indian facilities where US-origin technology was in Although representatives of Commerce, DOD and State agreed that the language of the MOU and the side letters left room for interpretation, there was general agreement that the texts should be read in the context of the GOI's oral assurances, which had the blessing of the Prime Minister. Moreover, the MOU's effectiveness could be readily tested through a USG request to make an on-site inspection. While agreeing that the MOU probably represented the best that could be obtained from the GOI, the DOD representatives urged that its contents not be taken as a precedent for later MOU's.

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The NSC representative, Mr. Rosen, stated that because of concern about ambiguities in the texts he had to consult further before he could give NSC's clearance.

However, the SIG approved the MOU for signature on condition that the GOI would agree, with respect to retransfers of controlled commodities or data, to the insertion of a phrase, e.g., "in advance", into the notification procedures in the MOU. The USG would agree to any formulation which would specify the USG's right to receive prior notification of retransfers.

### Hemlock

After brief discussion, the participants agreed to approve the Hemlock license on condition that the MOU's implementing procedures were worked out satisfactorily.

CDC

The chairman sought approval of the CDC case to allow CDC to remain among the companies competing for a GOI contract. However, when DOD representatives indicated they needed more time to study certain aspects of the case, it was agreed to deal with the CDC issue in a separate meeting.

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# EXECUTIVE COMMITTEE MEETING SIG ON THE TRANSFER OF STRATEGIC TECHNOLOGY

#### November 21,1984

## Room 1206A, Department of State

## **PARTICIPANTS**

State

U/S William Schneider, Chairman

Mr. Michael Marks, T

Mr. Robert Dean, PM

Mr. Arnold Raphel, NEA Mr. Dale Tahtinen, EB Mr. William Gussman, PM

Commerce Mr. William Archey Mr. Vincent DeCain

Mr. Theodore Wu

CIA

<u>Customs</u> Mr. George Corcoran

Mr. Gary Waugh

<u>Defense</u> Mr. Charles Hamilton

Mr. Robert Mennella Mr. Michael Higgins

NSC Mr. Stephen Rosen

OVP Mr. Walt Doran

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